Social Risk Investigation: Walmart India

"Few years back there was a protest against Walmart. Now they are acquiring Flipkart. More protests!!"
(Source: Mahesh, Twitter)

"I still don't know much about Walmart. But I do know these companies will lure the farmers into selling their goods. Later they will grab their land."

Overview

On July 2, 2018, small traders and local farmers took to the streets across several Indian cities to protest Walmart's acquisition of a 77% stake in Indian-based, e-commerce company FlipKart. Protestors fear the deal will jeopardize 90% of India's $670 billion retail trade that operates through "mom-and-pop" stores, which service households. With the acquisition pending final approval from the Indian Government, Walmart must find a way to shape public perceptions, contain protests, and create a long-term solution to manage the Walmart Brand in India.

Findings: Topic Modeling

Social media exploitation of online discussions revealed three (3) key topics: predatory pricing, Chinese manufactured products, and threats to small traders in rural areas

- 37% concerned with Walmart's predatory pricing strategy
    - People view Walmart's use of steep discounts as forcing smaller traders and local retailers out of business
- 35% discussed the influx of low-cost Chinese manufactured products
    - Supporters of Prime Minister Modi's "Make in India" view the Walmart deal as a detriment to the future of Indian manufacturers
- 28% of discussions, particularly among farmers in rural North India, fear land grabs
    - Farmers believe that Walmart's acquisition of land to build their logistics and transportation hubs will result in the loss of their livelihoods

Protestors in Uttar Pradesh (India's most populous state) compare Walmart to colonial British East India Company

Activists from Swadeshi Jagran Manch, a Hindu nationalist group, clash with police
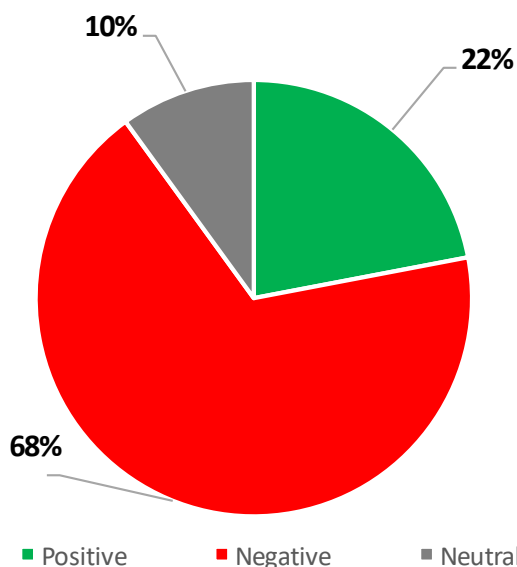
"Today it is Walmart and tomorrow it may be Amazon or Alibaba who can follow this path with the result that retail trade will be restricted to few hands."
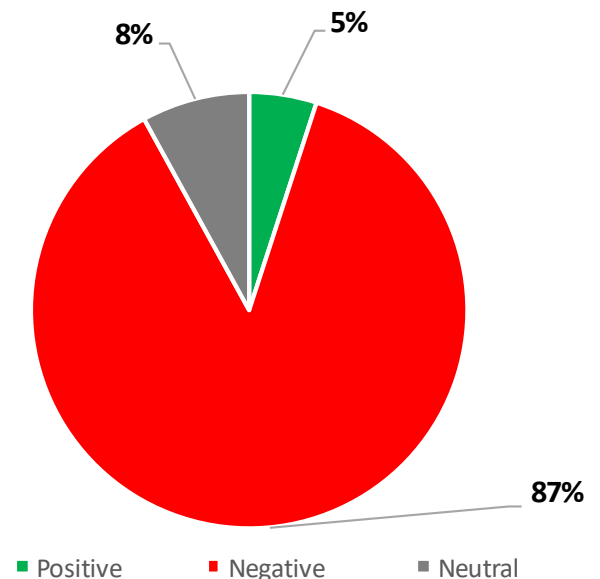
Findings: Sentiment Analysis

Sentiment analysis measured public perceptions regarding key and trending issues to uncover potential challenges Walmart faces with its India expansion and Flipkart acquisition

- Public sentiment of Walmart in India

  - 68% expressed negative sentiment because Walmart is destroying decades of relationships between people and their "mom and pop" stores

  - Walmart's strategy to engage with with local communities has failed despite its entry into the wholesale retail business 11 years ago

- Public sentiment of the proposed Walmart deal with Flipkart

  - 87% negative sentiment is due to citizens' concerns that the Flipkart deal will create long-term damage to the livelihoods of millions of Indian entrepreneurs

    - ❑ With the growth of Indian e-commerce, small businesses view online shopping as a key for growth

    - ❑ People fear a Flipkart-Walmart alliance will squash entrepreneurial dreams

    - ❑ 23,781 social media users view the deal as the antithesis to Modi's vision to promote Indian businesses in his "Make in India" campaign

Sentiment on Walmart

10%
22%
68%

■ Positive ■ Negative ■ Neutral

Sentiment on Walmart's Deal with Flipkart

8%
5%
87%

■ Positive ■ Negative ■ Neutral

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Social Risk Investigation:
Walmart India
25 June 2018 – 2 July 2018

"Now, I consider THIS as good news: Indian shopkeepers organise sit-in protests against Walmart's Flipkart buy."

Recommendations

Conduct [Social Risk Analysis](#) or commission a [Social Risk Action Plan](#) to:

- Inform the design and execution of a comprehensive communications and engagement strategy that:

    - Builds trust and creates transparency between Walmart and communities (e.g. small traders and farmers) and customers

    - Uses Social Network Analysis to identify key influencers (i.e., Hindu nationalist groups, trade unions, and community leaders) who shape and influence public perceptions

    - Employ social media platforms (e.g., Instagram, Facebook, and Twitter) to disseminate targeted narratives that address key concerns (e.g. predatory pricing) and create a two-way dialogue with traders and customers

Data Analytics

ENODO's social media exploitation examined 27,631 Twitter posts, 11,964 Facebook posts, 834 news websites, 726 YouTube Videos and comments, 671 Instagram posts, and 311 blogs to conduct topic modeling and measure public sentiment.

Create a pricing strategy aligned with fair pricing models

Walmart India

Connect with farmers to develop a farm-to-store sourcing of produce

Open a dialogue with "Make in India" supporters to promote Indian products